

The Impact of Hurricane Katrina on Business Establishments

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November 30, 2005

ABSTRACT:

Large scale disasters, such as Hurricane Katrina, pose two broad measurement challenges to statistical agencies. First, the public and policymakers want to know what the social and economic impacts will be. How many people are displaced? How many businesses damaged or destroyed? How much output will be lost? Before these questions can be answered, however, statistical agencies must be able to assess the impact of the disaster on the statistical programs used to provide data to the public and policymakers. Most current economic indicators are based on surveys that are not well suited to precise estimates for narrowly defined geographic areas. In addition, the loss of a few smaller units that have large survey weights can potentially bias estimates. In this paper we provide estimates of the number of establishments affected by Hurricane Katrina. This is done by using GIS (Geographic Information Systems) tools to merge information from FEMA disaster area maps to establishment level latitude-longitude coded microdata from the Census Bureau Business Register (BR). We then link to the Longitudinal Business Database and Economic Censuses to construct estimates of the employment, payroll, sales, capital stock and so on at affected establishments.